Manitoba

Annual Report
The Year Ended June 30, 2001

The Public Schools Finance Board

Includes 10% post-consumer waste

102-04523/

MINISTER OF EDUCATION, TRAINING AND YOUTH

Room 168
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

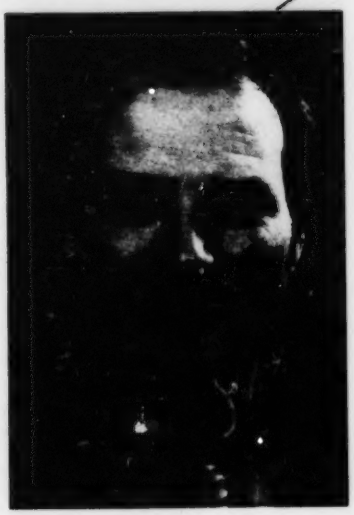
To His Honour
Peter Liba, C.M.
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I present herewith the annual report of the Public Schools Finance Board for the fiscal year ending June 30, 2001.

Sincerely,

Honourable Drew Caldwell



2001
International Year of Volunteers

Manitoba Education and Training

Public Schools Finance Board

506 - 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3
Fax No.: (204) 948-2001

December 12, 2001

The Honourable Drew Caldwell
Minister of Education, Training and Youth
168 Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Sir:

Pursuant to Section 13 of The Public Schools Finance Board Act, on behalf of The Public Schools Finance Board, I have the honour of submitting the attached document for your review and consideration.

This annual report of The Public Schools Finance Board is for a twelve-month period ending June 30, 2001.

Yours sincerely,

Ben Zaidman
Chair
Public Schools Finance Board

MAJOR CAPITAL CONSTRUCTION PROJECTS
Approved during July 2000 - June 2001

School Division/School	Project
#1 Winnipeg	
Sisler High School	addition and renovations
Wolseley School	addition and renovations
Argyle Alternative High School	addition and renovations
#9 River East	
Salisbury/Morse Place School	renovations
#15 Hanover	
Mitchell area	new school
Woodlawn School	renovations
#22 Evergreen	
Winnipeg Beach School (Phase II)	renovations and child care addition
#48 Frontier	
Thicket Portage	school replacement
#49 Division scolaire franco-manitobaine	
École Jours de Plaine	new school
École/Collège Régional Gabrielle-Roy	addition and renovations

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of The Public Schools Finance Board as at June 30, 2001 and the statement of revenue and expenditure and education support fund for the year then ended. These financial statements reflect the education program costs administered through the Public Schools Finance Board and the funding provided for this program from the Department of Education and Training and from municipal corporations. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
September 28, 2001

PUBLIC SCHOOLS FINANCE BOARD

MANAGEMENT REPORT

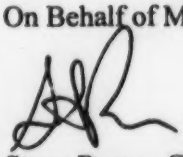
The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to September 28, 2001. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information. These internal controls also provide for the safeguarding of the Board's assets.

The responsibility of the Provincial Auditor and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Board has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

On Behalf of Management



Steve Power, CMA

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet

As at June 30, 2001

	2001	2000
	(in thousands of dollars)	
ASSETS		
Cash	$ 2,643	$ 1,718
Funds on deposit with the Province of Manitoba	145	136
Accounts Receivable:		
Province of Manitoba	15,703	14,810
Municipal corporations - education support levy	124,670	122,242
Other	857	2,387
	144,018	**141,293**
LIABILITIES AND EDUCATION SUPPORT FUND		
Support payable to school divisions	$ 4,265	$ 4,609
Accrued interest	2,554	2,361
Notes payable on demand, at bank prime, Province of Manitoba	135,257	132,683
Other payables	102	104
	142,178	**139,757**
Education Support Fund	**1,840**	**1,536**
	$ 144,018	**$ 141,293**

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure and Education Support Fund for the year ended June 30, 2001

	2001	2000
	(in thousands of dollars)	
Revenue:		
Province of Manitoba Schools Finance Program	$ 597,901	$ 581,851
Municipal corporations, education support levy	206,157	202,027
Sale of school properties and miscellaneous revenue	8	26
	804,066	**783,904**
Expenditure:		
Operational support program (Note 3)	730,602	714,773
Capital support program (Note 4)	67,231	64,616
Administrative and other expenses (Note 5)	5,929	5,076
	803,762	**784,465**
Excess (deficiency) of revenue over expenditure	**304**	**(561)**
Education Support Fund		
Balance, beginning of year	1,536	2,097
Balance, end of year	**$ 1,840**	**$ 1,536**

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to the Financial Statements

As at June 30, 2001

1. Nature of the Board's Operations

The Public Schools Finance Board was established by the Public Schools Finance Board Act in April, 1967.

The Board is responsible for receiving all monies paid to the Education Support Fund for the financing of public schooling in Manitoba. It administers the Capital Support Program including the determination and the disbursement of all capital grants provided to Manitoba school divisions under the Program. The Board also issues payments to Manitoba school divisions under the Operational Support Program in amounts as determined by the Minister of Education, Training and Youth.

The Public Schools Act and its Regulations govern the Education Support Fund.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained in accordance with Canadian generally accepted accounting principles, except for the debt servicing support, which is expensed on a cash basis.

(b) The education support levy is assessed against municipal corporations on a calendar year basis. The Board applied 40% of the 2000 levy to the July to December period and 60% of the 2001 levy to the January to June period.

(c) The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

(d) The carrying amounts of short-term financial assets and liabilities are a reasonable estimate of the fair value because of the short period to maturity of those instruments.

3. Operational Support Program

	2001	2000
	(in thousands of dollars)	
Support for Recognized Expenditures	$ 387,550	$ 381,256
Occupancy	76,401	76,078
Level I - Special needs	44,029	43,349
Counselling and Guidance	9,315	9,142
Library Services	16,161	15,570
Professional Development	5,253	4,733
Transportation	37,237	36,042
Board and Room	808	944
Special Needs	53,867	50,325
Technology (Vocational) Education	7,455	7,200
English as a Second Language	2,575	2,497
English Language Enrichment for Native Students	5,158	5,158
Heritage Language	220	226
French Language Programs / Instruction	5,184	5,247
Programme d'accueil	330	330
Small Schools	1,947	1,933
Curricular Materials	9,156	9,115
Students at Risk	11,179	11,470
Early Identification	249	249
Decreasing Enrolment	2,657	1,172
Remoteness Allowance	2,340	2,189
Red River Technical Vocational Coordinator	55	45
New School	135	15
Supplementary Support	34,399	34,195
Early Literacy Intervention	5,689	4,639
Information Technology (Distance Education)	7,457	7,425
Early Behaviour Intervention	2,000	1,989
Adjustment of previous years' support to school divisions from estimated to actual	(331)	(3)
Miscellaneous (Pipeline)	(72)	(36)
Vocational Equipment Replacement	2,200	2,200
Vocational Equipment Establishment	0	79
	$ 730,602	$ 714,773

4. Capital Support Program

	2001	2000
	(in thousands of dollars)	
Debt Servicing	$ 57,383	$ 56,082
Other Capital Projects	9,848	8,534
	$ 67,231	$ 64,616

As at June 30, 2001 the approved outstanding debenture debt of school divisions was $395,910,565 (2000 $378,378,379). The Board has not, however, assumed legal liability related to the repayment of such long-term debt and, therefore, this amount is not reflected in the financial statements.

During the course of the year, school divisions raised an additional $45,952,000 to finance capital expenditures (2000 - $44,125,000) by the issuance of debentures purchased by the Minister of Finance.

5. Administrative and other expenses

	2001	2000
	(in thousands of dollars)	
Board Administration:		
Board members' indemnities	$ 76	$ 88
Staff salaries	566	520
Professional services	114	100
Service Agreement	169	169
Meetings and travel	50	55
Printing, stationery, postage and supplies	41	39
Desktop Management	42	46
Computers, software and minor equipment	4	4
Telephone and fax	12	10
Rent	36	36
Total Board Administration Expenses	1,110	1,067
Interest charges on notes payable to the Province of Manitoba	4,819	4,009
	$ 5,929	$ 5,076

6. Commitments

As at June 30, 2001, the Board had commitments of $806,898 (2000 - $5,927,444). There are no commitments included in this amount that have been provided for in appropriations included in the 2001/02 estimates of the Province of Manitoba (2000 - $4,411,160). The amount of $806,898 as at June 30, 2001 (2000 - $1,516,284) is committed from the Education Support Fund Balance. Effective with the 2001/2002 year, structural projects (formerly part of the cash program) became part of the debentured capital program.

7. Statement of Cash Flows

A statement of cash flows has not been included because, in the opinion of management, it would not provide any meaningful additional information.

8. Related Party Transactions

The Board is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporation. The Board enters into transactions with these entities in the normal course of business.

9. Pension Costs and Obligations

The Board's employees are eligible for membership in the provincially operated Civil Service Superannuation Plan. The pension liability for Board employees is included in the Province of Manitoba's liability for the Civil Service Superannuation Fund. Accordingly, the Board reflects no provision in the financial statements relating to its participation in the pension plan.

10. Comparative Figures

Certain 2000 figures have been restated for comparative purposes.

11. Subsequent Event

Subsequent to year end, an overpayment to a school division was uncovered due to a misstatement in the eligible enrolment. Recovery is anticipated but the final amount has not yet been confirmed. This recovery will accrue to the Province of Manitoba and is not reflected in these financial statements.